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Asset-Backed ALERT
THE WEEKLY UPDATE ON WORLDWIDE SECURITIZATION

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THE GRAPEVINE

Tom Wind has left his post as head of **EverBank's** mortgage-lending unit, where he helped oversee the launch of a jumbo-loan securitization program that produced two deals totaling $610.7 million in 2013. He now is stationed in St. Louis as president of **U.S. Bank's** mortgage division, which typically doesn't employ securitization as a funding source. Before joining EverBank in 2010, Wind served as chief executive of **Aurora Loan Services** and headed **Lehman Brothers'** mortgage-lending division. His resume also includes a stint as chief executive of **Chase Home Mortgage,** along with stops at **Nexstar Financial** and **Citi-Mortgage.**

Barclays has shut down its residential whole-loan trading desk in New York. The cuts came as part of a move this week to eliminate 1,200 jobs worldwide, including positions on the bank's

See GRAPEVINE on Back Page

ASF's Ghost Ship Still Laden With Capital

Long after its market-advocacy efforts effectively ended, the **American Securitization Forum** still had millions of dollars in the bank.

According to **IRS** records, the trade group finished the year ending Oct. 31, 2014, with $6.2 million of net assets. Executive director **Tom Deutsch,** meanwhile, collected more than $1 million of compensation in the 2013 calendar year — even as the organization's activities, membership and income plummeted.

The records confirm speculation that ASF kept some $5 million to $10 million after many of its former members broke off to form the rival **Structured Finance Industry Group** in March 2013. The actual amount has remained something of a mystery until now, however, with Deutsch refusing to release his group's financial statements.

That led to threats of a lawsuit from several former ASF members. They claimed that because the capital consisted of membership dues and conference income,

See ASF on Page 5

CLO Powerhouse CIFC Looking for a Buyer

CIFC, one of the most active issuers of collateralized loan obligations, is on the block.

The New York company, itself a product of a wave of takeovers that occurred after the 2007-2008 market crash, is talking to at least one rival about a possible sale. However, one source said its executives have been approaching prospective suitors for several months.

Apollo Global, Carlyle Group and **GSO Blackstone** are among those mentioned as potential buyers. All three have been on the lookout for attractively priced takeover targets as the Dodd-Frank Act's risk-retention rules and other regulatory pressures weigh on CLO managers, sources said.

In the past five years, CIFC has churned out 20 CLOs totaling $11.5 billion, and its $12.5 billion portfolio ranks it as the second-largest manager in the U.S. behind **Credit Suisse Asset Management,** according to **Moody's.** But its stock has fallen by more than half since 2014, and was trading below $4.50 this week — its lowest

See POWERHOUSE on Page 8

Pfizer to Ramp Up ABS Buying Program

Pfizer wants to increase its holdings of asset-backed securities and private-label mortgage bonds.

Officials from the New York drugmaker's treasury department have been contacting issuers and underwriters in recent weeks to discuss the plan, under which it could put some $1 billion to work this year.

At last check on Sept. 30, Pfizer was holding $1.7 billion of asset- and mortgage-backed bonds. Because the company intends to fund this year's investments with both fresh capital and redeployments from existing positions that are running off, however, it would end up with something less than $2.7 billion in the portfolio. It started 2015 at $2.1 billion.

Pfizer's upcoming purchases would include a mix of senior securities backed by consumer assets, including credit-card receivables, auto loans and student loans. On

See PFIZER on Page 5

Wobbly CLO Prices Attract Bidders

Opportunistic investors have started picking up mezzanine collateralized loan obligation securities on the secondary market, even as those instruments continue to lose value.

A trader at **Guggenheim Partners** was the first to act, building a position of undisclosed size beginning on Jan. 12. Two other shops joined the $240 billion investment shop in the following days, eliciting a rush of bid lists from fast-money investors.

All told, CLO notes with a face value of $444 million changed hands from Jan. 12 to Jan. 20. That's out of a total offering volume of $611 million, according to **Empirasign.** Mezzanine paper accounted for 85% of the supply, according to **ED&F Man.**

The secondary market essentially was frozen until Guggenheim made its move. A mere $3 million of CLO securities were available for bid on Jan. 11. But $100 million of offerings circulated on Jan. 12, followed by $300 million on Jan. 13. That figure then dropped to $92 million on Jan. 14 and $51 million on Jan. 15.

Most of the paper found buyers, including 65% of the Jan. 12 supply, 81% on Jan. 13, 85% on Jan. 14 and 100% on Jan. 15. Traders still were at it after returning from a three-day weekend on Jan. 19, with $21 million of bonds offered and 82% changing hands. Of the Jan. 20 tally of $46.5 million, however, only 28% moved.

For sellers, the surge represented a chance to cash out of a falling market even if it meant locking in losses on positions they took only months ago. The buyers, meanwhile, appear to be betting that mezzanine-CLO prices soon will find a bottom.

But that hasn't happened yet, in part because of persistent worries about continued volatility in the stock and commodity markets. One dealer said double-B-rated securities from top-tier issuers are selling at discount margins of about 900 bp, out from 775 bp at yearend. Discount margins express a floating-rate security's absolute return by combining its spread with its benchmark, in this case three-month Libor.

"With the market continuing to go down, the three guys who bought are in the red," the dealer said. "You can get hurt when you try to pick the bottom, but a month from now when things rally, they will look smart."

Adding to the difficult environment is a wide disparity in prices among similarly rated securities, with bids strongly influenced by factors including manager quality and exposures to energy and commodity companies. "Guys don't know where anything is trading," another dealer said. "It's a moving target."

Mezzanine securities represented in last week's trading flurry included $5 million of double-B notes sold by **Babson Capital** in 2014, $2.5 million of double-B-rated paper issued by **Brigade Capital** in 2006 and a $2.5 million piece of a 2007 transaction from **Symphony Asset Management.**

Meanwhile, firms including **Eagle Point Capital** are setting up vehicles that would join Guggenheim and its peers as buyers of discounted mezzanine paper (see article on this page).

On the new-issue side, activity is at a standstill. This year's deal volume remained at zero as of early Jan. 20, although a few issuers including Babson, **MJX Asset Management** and **Och-Ziff Capital** have been shopping new offerings.

That sluggishness also is due in part to weak pricing among mezzanine securities, as widening spreads on those notes have dampened demand among equity buyers who already were turned off by an eroding arbitrage between asset returns and the yields paid to other bondholders. "It's the straw that broke the camel's back . . . Usually, widening [mezzanine prices] doesn't hold things up, since they are not a huge part of the capital structure. But with all the things coming at once, it's really unfavorable," one issuer said. ❖

Eagle Point Adds to Buying Arsenal

Eagle Point Credit has started another collateralized loan obligation fund.

The EP CLO Opportunities Fund aims to invest in mezzanine notes. It launched this month with $50 million, and now is scouting for places to deploy the capital.

Eagle Point has purchased mezzanine CLO securities before, particularly at times when spreads were widening, but for the most part is known as an equity buyer. Sources are pointing to its decision to move up the capital stack as evidence that investors are responding opportunistically to recent market dislocation.

All types of junior CLO securities lost value in 2015 as weakening economic conditions raised concerns about leveraged-loan performance. But the lowest mezzanine CLO paper — those with ratings of double-B and single-B — experienced an especially sharp drop in prices.

With the launch of the new fund, Eagle Point is betting that structural protections built into CLOs will insulate those notes from losses. That's what happened after the 2007-2008 market crash, when investors who bought discounted CLO paper on the secondary market eventually were rewarded with strong returns.

Eagle Point is run by former **RBS** CLO-banking head **Thomas Majewski,** who founded the firm in 2012 with backing from private equity shop **Stone Point Capital.** Eagle Point now has $1 billion under management, including the holdings of a CLO-equity fund called Eagle Point Credit Co. that trades on the **New York Stock Exchange.**

Investors in that vehicle, which launched Oct. 7, 2014, lost 7.5% last year as measured by its share price. But that's only about half the decline experienced by similar funds and benchmarks, including the Wells Fargo Business Development Company Index. The entity's shares now are trading at about $15.75, down from a high of $21.33 on May 21. ❖

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State Fund Set to Boost Portfolio

Look for the **New York State Insurance Fund** to step up its purchases of securitized products.

Leaders of the $15 billion worker-compensation program want to add to the fund's holdings of asset-backed securities, collateralized loan obligations and residential and commercial mortgage bonds, sources said. To that end, fund officials plan to add a structured-product specialist to their investment team.

At the end of 2014, the fund valued its mortgage-bond positions at $348 million, according to its most recent annual report. It didn't provide similar breakdowns for asset-backed bonds or CLOs, but sources said its overall structured-product portfolio could total $1 billion to $2 billion.

That leaves plenty of room for expansion, given that the fund held $11.8 billion of fixed-income investments of all types at yearend 2015 The largest component is U.S. Treasurys and agency mortgage bonds ($6.2 billion at yearend 2014), followed by unsecured corporate debt ($4 billion).

To oversee its purchases of structured products, the fund is seeking to hire a portfolio manager with experience investing in asset- and mortgage-backed securities. The position carries an annual salary of $160,000 to $175,000. ❖

SoFi Branches Into Buy-Side Role

Social Finance is starting two new investment programs.

One side of the effort calls for the creation of a fund that would buy personal loans, including marketplace-originated credits, and the subordinate pieces of asset-backed bond deals that SoFi issues. The other involves the launch of a REIT.

Both projects are still in the early stages.

For the fund, SoFi is talking to prospective investors about mixing their contributions with some of the San Francisco company's in-house capital. It envisions the vehicle as the first in a series of four to six, some of which could be accompanied by separate accounts that would lock up limited-partner capital for longer periods than the commingled pools.

Capital-markets co-head **Paul Fielding** is overseeing the initial discussions with investors, with a focus on wealthy individuals. Over time, SoFi hopes to reach a mix of retail and institutional backers as well.

In addition to complementing SoFi's activities as a lender, one source said the fund's loan-buying activities could serve as a hedge against shifts in market conditions. Should a weakening environment cause cashflows from the company's own loans to lag, for example, it might preserve profits by picking up accounts from other originators at discounts.

It remains to be seen whether SoFi's standards as a loan buyer would mirror those it employs as an originator of student loans, personal loans and mortgages — where it is known for pursuing well-paid college graduates with strong credit histories.

On the bond-buying side, the fund would help guarantee that SoFi has a ready outlet for its securitizations and thus can continue to fund those deals' underlying loans at a time when its origination volume has been growing. The company issued four student-loan securitizations totaling $1.7 billion in 2015, and plans to bring that total as high as $2.5 billion in this year. It also plans to sell up to $2 billion of bonds backed by its personal loans, building on a program that has produced just one small offering so far.

A number of other lenders, including about a half-dozen marketplace originators, are setting up similar vehicles. For the marketplace specialists, the programs would ensure a source of long-term capital should ongoing financial-market instability dent demand among buyers of their accounts. Indeed, those initiatives have gained urgency this month as stock and commodity prices have cratered. With so many funds developing at the same time, however, some of the shops could find it difficult to raise capital, one loan buyer said.

As for SoFi's planned REIT, that project likely will take longer to develop. Early talks with investors have focused on a fund that would invest in real estate related products — possibly mortgages or mortgage bonds — with plans to convert to a REIT format later. It's unclear if the effort would tie in with SoFi's own mortgage business, which launched last year with a marketplace-lending approach. ❖

Delta Eyes Aircraft-Lease Transaction

Delta Air Lines is talking to securitization bankers about issuing bonds backed by leases on its aircraft — something it hasn't done in nearly 10 years.

The deal under consideration by the Atlanta-based carrier could weigh in at as much as $1 billion and price in the next few months, sources said. The last time the company securitized aircraft leases was 2007, when it sold $1.4 billion of bonds.

Why return to the market now? Sources said airline executives feel the need to diversify their funding sources after years of relying on bank credit lines and enhanced equipment trust certificates to finance purchases of new aircraft.

Issuing asset-backed securities would allow Delta to reacquaint itself with a class of investors it hasn't worked with in years. EETC transactions, while sharing many of the characteristics of securitization, appeal more to investors in unsecured corporate debt.

Since the financial crisis, airlines generally have favored EETCs over asset-backed bonds as a funding source. Last year, a total of $3.6 billion of aircraft-lease deals priced in the U.S., according to **Asset-Backed Alert's** ABS Database. However, all of the issuers were specialty-finance companies that buy aircraft and then lease them to commercial airlines. Carriers, by contrast, set up special vehicles to hold their jets and then lease them back — with those payments funding distributions to bondholders. ❖

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Servicer's Headcount to Balloon

Loan servicer **First Associates** is expanding its staff.

The company plans to boost the headcount in its San Diego headquarters from 150 to 225 in the coming year, and will double the size of the office in March to house the personnel. Most of the recruits would handle customer-service functions.

First Associates also plans to triple the size of a call center in Mexico that currently houses 40 employees.

The expansion comes partly in response to rising origination volume in the marketplace-lending business, where First Associates is by far the most active servicer. The company services most other types of securitized loans, including auto loans, but doesn't work on mortgages or credit-card accounts. It aims to differentiate itself in part by using Web-based technology that allows for the instant addition of new accounts.

First Associates formed 30 years ago. But when current owners **Larry Chiavaro, David Johnson** and **Scott Scharman** bought the company in 2009, it was servicing just $30 million of mobile-home loans with a staff of six. By yearend 2015, its portfolio had grown to $8 billion. ❖

ASF ... From Page 1

it should have been redistributed among the organization's constituents. But the legal action never materialized.

While more recent figures are unavailable, the belief among industry participants is that ASF's assets haven't changed substantially since the last update. That's despite the fact that Deutsch still is drawing an annual salary and bonus, while the organization's membership and conference fees presumably have dropped to near zero.

Indeed, incoming membership dues already had fallen to $311,250 in the year ended Oct. 31, 2014, from $2.2 million a year earlier, while conference and event revenues dropped to $373,048 from $3.8 million.

So why aren't the ASF's assets shrinking? The remaining capital is invested in a mix of publicly traded securities that produced $760,112 of net unrealized gains during the 2014 fiscal year, helping to fund Deutsch's compensation.

ASF's operating expenses also have dropped off. The New York group no longer has any employees other than Deutsch, and hasn't updated its website since November 2014. And while it maintains a telephone and voice mail, its office has been empty since 2013.

ASF's most recent conference, held in January 2014 in Las Vegas, saw its attendance drop to a mere 200 from a high of 5,500 in the preceding years.

The group certainly isn't spending heavily on dealings with lawmakers and regulators, either. Attorneys and lobbyists said that since the membership breakup, they haven't seen or heard much from Deutsch — who once was the preeminent voice of the securitization industry. "Haven't seen him in Washington, in New York, not anywhere," one lawyer said. "SFIG and **Sifma** have been involved in ongoing legislative discussions regarding a host of issues including Basel 3 and the Dodd-Frank Act. I have no knowledge of Tom or ASF being involved in any of this."

Still, ASF remains an operating entity, at least on paper. Its Delaware corporate registry remained in good standing at the time of its IRS filing, which was dated Sept. 23, 2015. And unless it loses a legal challenge, the door is open for the group to continue in its current state indefinitely.

ASF's membership exodus, led by banks and law firms including **Bank of America, Citigroup** and **J.P. Morgan,** came in response to tensions over a number of matters that included changes that Deutsch made to the organization's policies in the wake of a 2010 split from Sifma. For example, Deutsch gave himself control over all financial decisions, including his own pay.

A large increase in his compensation followed, to $1.2 million in 2012 from $291,000 in 2011. In 2013, Deutsch received a base salary of $428,057 and a $600,000 bonus. Even through the bulk of those payments were made after the Sifma split, the tax filing noted that the bonus was approved by the ASF's now-dissolved board two years earlier

Deutsch didn't respond to requests for comment.

As for SFIG, the group now counts more than 300 members. It also has solidified its standing as the securitization industry's primary lobbying organization, often working alongside Sifma. It additionally has claim to the market's largest conference, teaming up with **Information Management Network** to draw some 6,000 attendees to Las Vegas each year for its "ABS Vegas" gathering. ❖

Pfizer ... From Page 1

the mortgage side, it would focus on offerings underpinned by jumbo loans.

The effort in part reflects a sentiment on Pfizer's part that the values of highly rated asset- and mortgage-backed bonds will remain relatively stable at a time when the stock and high-yield bond markets are experiencing wild swings.

With many of its current structured-finance holdings nearing maturity, the company also wants to shift a larger proportion of those exposures to bonds that will pay off in 1-5 years. At the end of the third quarter, its securitized-product portfolio included $953 million of positions that were scheduled to come due in less than a year and $655 million of holdings with maturities of 1-5 years — with the rest carrying lives of five years or more.

The plan is to balance the book in a way that more resembles its maturity profile from the beginning of last year, when it included $960 million of exposures of less than a year and $1 billion of 1-5 year positions.

Pfizer holds the securities in its available-for-sale portfolio, which is funded with in-house capital. All told, that book's fixed-income positions totaled $31.8 billion at the end of the third quarter, including investments in sovereign debt, corporate debt and agency mortgage bonds. The company also has a held-to-maturity account that doesn't include any structured products. ❖

RANKINGS

Morgan Lewis, Sidley Top Law Tables

Morgan Lewis remained the most active issuer counsel for asset- and mortgage-backed bond deals in the U.S. last year, but was bumped out of the top underwriter-counsel spot by **Sidley Austin.**

Building on a top standing that it established with its 2014 takeover of **Bingham McCutchen,** Morgan Lewis represented the issuers of a market-leading 65 transactions totaling $28.1 billion in 2015, according to **Asset-Backed Alert's** ABS Database. But Sidley, whose securitization practice is led by partners **Edward Fine** and **R.J. Carlson,** was able to move up from second place on the underwriter-counsel side.

Sidley claimed 80 underwriter assignments for the year, compared to 79 for Morgan Lewis. The firm also won in terms of dollar total, advising on $44.9 billion deals versus $37.7 billion for Morgan Lewis. Its first-place finish was fueled by growth on several fronts, including auto-loan deals led by **J.P. Morgan** and **Wells Fargo,** equipment-loan transactions managed by **Barclays** and **RBC,** and rental-home issues managed by **Deutsche Bank.**

Mayer Brown remained in third place with 47 underwriter

See LAW on Page 7

Top Underwriter Counsel for CLOs

		No. of Deals	2015 Issuance ($Mil.)	No. of Deals	2014 Issuance ($Mil.)
1	Cadwalader Wickersham	35	$17,031.4	45	$22,924.7
2	Cleary Gottlieb	30	16,396.2	23	11,414.9
3	Ashurst	23	12,506.7	25	13,419.7
4	Paul Hastings	21	10,835.1	0	0.0
5	White & Case	13	6,781.6	10	5,509.8
6	Milbank Tweed	10	4,806.2	6	3,937.2
7	Freshfields	9	6,305.6	4	2,204.5
8	Dechert	7	3,388.7	10	4,356.5
9	Mayer Brown	5	2,646.8	7	3,484.7
	OTHERS	41	19,448.4	103	55,861.3
	TOTAL	**194**	**100,146.6**	**233**	**123,113.2**

Top Issuer Counsel for CLOs

		No. of Deals	2015 Issuance ($Mil.)	No. of Deals	2014 Issuance ($Mil.)
1	Dechert	29	$14,278.3	32	$15,329.3
2	Sidley Austin	13	8,017.6	5	2,640.9
2	Latham & Watkins	13	6,731.6	8	3,789.6
4	Clifford Chance	12	6,803.4	6	2,451.7
4	Schulte Roth	12	5,846.1	4	2,402.3
6	Morgan Lewis	10	5,295.9	8	3,693.6
6	Winston & Strawn	10	4,737.0	7	3,612.9
8	Mayer Brown	9	5,203.0	10	5,141.5
9	Milbank Tweed	6	2,757.6	2	828.3
10	Skadden Arps	5	2,439.1	6	3,729.9
	OTHERS	75	38,037.2	145	79,493.3
	TOTAL	**194**	**100,146.6**	**233**	**123,113.2**

Top Underwriter Counsel for ABS/MBS

		No. of Deals	2015 Issuance ($Mil.)	No. of Deals	2014 Issuance ($Mil.)
1	Sidley Austin	80	$44,879.0	66	$41,620.7
2	Morgan Lewis	79	37,668.9	67	31,648.2
3	Mayer Brown	47	27,548.5	41	29,470.9
4	Dentons	39	17,568.6	22	8,284.7
5	Hunton & Williams	21	6,931.8	10	3,157.6
6	Orrick Herrington	17	12,424.1	19	13,081.0
7	Chapman & Cutler	16	6,700.7	8	6,125.0
8	Dechert	15	7,833.7	17	8,263.5
9	Cadwalader Wickersham	14	7,964.7	15	7,304.2
10	Kramer Levin	12	2,269.7	7	1,215.4
11	Skadden Arps	10	7,375.0	8	8,400.0
12	Allen & Overy	8	6,825.0	10	8,850.0
13	Willkie Farr	7	1,966.0	2	652.5
14	Kirkland & Ellis	6	2,926.6	9	4,665.6
15	Paul Weiss	5	3,040.2	9	2,887.0
	OTHERS	107	50,438.8	139	66,627.0
	TOTAL	**483**	**244,361.2**	**449**	**242,253.2**

Top Issuer Counsel for ABS/MBS

		No. of Deals	2015 Issuance ($Mil.)	No. of Deals	2014 Issuance ($Mil.)
1	Morgan Lewis	65	$28,107.2	56	$17,252.4
2	Mayer Brown	59	39,225.3	47	36,015.8
3	Sidley Austin	54	25,272.3	37	19,454.0
4	Katten Muchin	42	30,119.2	25	20,858.7
5	Kirkland & Ellis	26	17,603.8	25	22,449.2
6	Orrick Herrington	24	9,073.6	34	15,874.0
7	Chapman & Cutler	16	10,035.0	12	8,360.0
7	Dentons	16	4,737.8	12	4,389.3
9	Skadden Arps	15	9,835.7	13	9,988.1
9	Dechert	15	4,307.0	8	1,881.6
11	Shearman & Sterling	8	7,425.5	2	2,017.1
12	Alston & Bird	7	4,795.0	4	4,500.0
13	Hunton & Williams	6	1,909.4	2	823.9
14	Paul Weiss	5	3,870.0	3	2,076.5
14	Clifford Chance	5	2,825.8	0	0.0
14	Foley & Lardner	5	2,565.9	1	850.0
	OTHERS	115	42,652.7	168	75,462.5
	TOTAL	**483**	**244,361.2**	**449**	**242,253.2**

Buyers Warm to Solar-Lease Bonds

Investors suddenly are shunning bonds backed by loans originated under the Property Assessed Clean Energy Program in favor of deals backed by leases on solar-power equipment.

As they initiate their 2016 buying programs, bondholders with allocations for alternative-energy assets are showing an increased desire to take advantage of relatively generous returns offered by solar-equipment transactions, which carry lower ratings than PACE deals. This week, for example, triple-B-rated bonds with five-year lives issued by **Solar City** were changing hands on the secondary market at yields of 10-15%.

"Over the last two weeks, investors that typically buy PACE bonds have been ignoring them and buying straight-up solar deals," one trader said.

By comparison, PACE-backed bonds sold by **Renovate America** have been trading at effective yields of around 5%, reflecting the deals' double-A ratings. The credit risk of PACE obligations is seen to be relatively low given that borrowers repay their loans via their property-tax bills.

It may be just a matter of time, though, before buyers pouring money into solar-equipment deals push yields down to the point where they no longer feel adequately compensated for the risk they're bearing. ❖

Law ... From Page 6

mandates totaling $27.5 billion. Combined, the top-three firms served as underwriter counsel on 43% of the 483 asset- and mortgage-backed bond deals completed in the States in 2015.

Rounding out the top five were **Dentons,** which held steady in fourth place with 39 deals, and **Hunton & Williams** — up three spots with 21 transactions, including a number of servicer-advance offerings led by Barclays and **Credit Suisse.** Seventh-place **Chapman & Cutler** also was a notable mover, doubling its deal count to 16.

There was no change in the top three issuer counsel, with Mayer Brown following Morgan Lewis in second place with 59 deals totaling $39.2 billion and Sidley claiming third with 54 transactions for $25.3 billion. But **Katten Muchin** rose to fourth from fifth as its tally grew to 42 offerings — with **Ford** and **General Motors Financial** among its clients.

Kirkland & Ellis remained in fifth place with 26 issues. Farther down the league table, ninth-place **Dechert** boosted its deal count to 15 from eight.

Among firms working on collateralized loan obligations, which aren't counted in the main rankings, the number-one players remained unchallenged last year. **Cadwalader Wickersham** was on top when it came to underwriter representations, working on 35 deals totaling $17 billion. It was followed by **Clearly Gottlieb** (30 deals) and **Ashurst** (23 deals), which finished in the reverse order in 2014. Meanwhile, a group of attorneys who left Ashurst to join **Paul Hastings** last year wasted no time in creating a CLO practice there, claiming fourth place with 21 underwriter-counsel assignments.

Among firms advising CLO issuers, **Dechert** was on top with 29 assignments across $14.3 billion of deals. Sidley Austin moved up to second from fourth with 13 transactions, tying **Latham & Watkins.**

Asset-Backed Alert's tally of law-firm volume takes into account SEC-registered, Rule-144A and privately placed term securitizations sold primarily in the U.S., but excludes unrated deals. Because the rankings seek only to capture advisory assignments that law firms win on new transactions, they leave out restructurings, fund-formation work and other contracts. ❖

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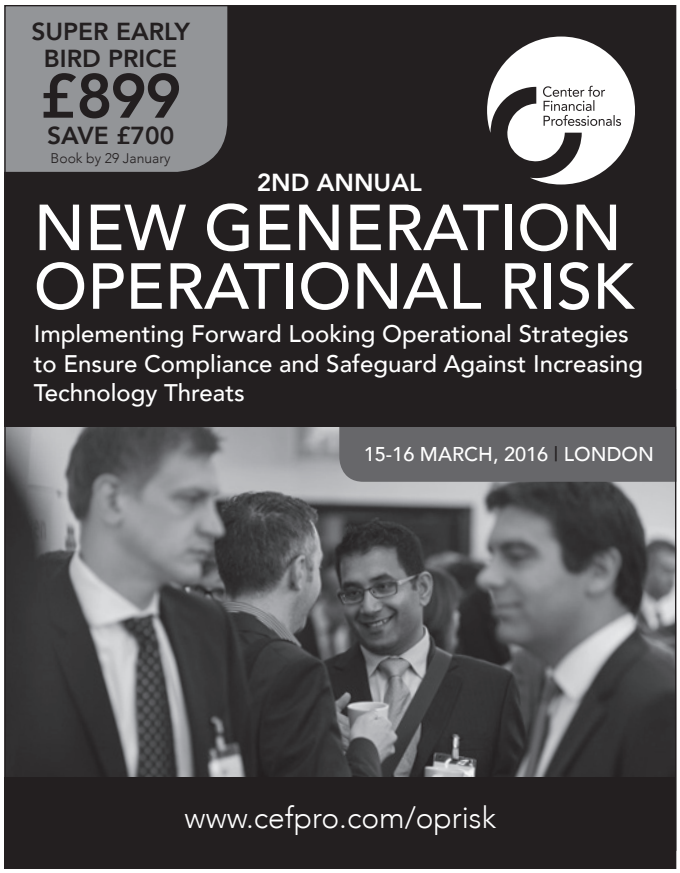
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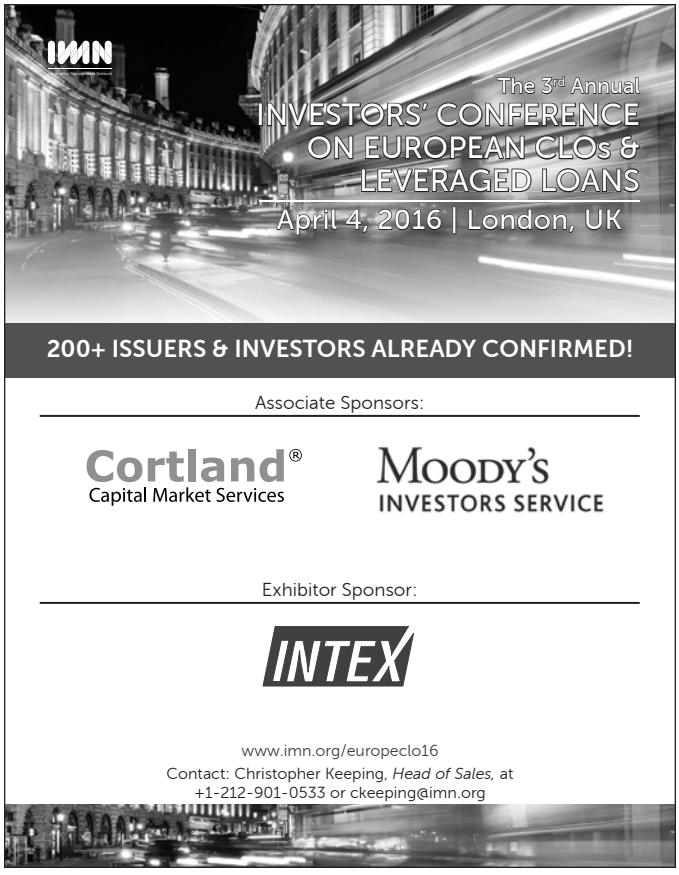

Countrywide Payouts Finally Ready

Holders of **Countrywide's** mortgage bonds have at last learned how they will split the proceeds of an $8.5 billion legal settlement.

The investors were informed of the decision in a Jan. 11 memorandum from trustee **BNY Mellon,** finalizing a process that began when Countrywide parent **Bank of America** agreed to the compensation in 2011.

The settlement was meant to reimburse bondholders for losses they suffered on 530 securitizations that Countrywide completed from 2004 to 2007, prior to BofA's credit-crisis takeover of the troubled lender. But the **New York State Court of Appeals** didn't approve the terms until last year, and more delays followed as the **IRS** reviewed how BofA planned to write off portions of the payout.

The final distribution plan was drawn up by consultant **National Economic Research Associates.** Payments will take place next month. Sources said the checks mostly will be in line with what investors were expecting, although a few will receive slightly more or less than they anticipated.

Losses on the deals involved in the settlement totaled $77.2 billion, according to National Economic Research. Their secondary-market values in the years following the settlement were buoyed by expectations that the proceeds eventually would arrive, although that effect weakened somewhat over time as investors lost patience with the courts.

Now, the certainty created by the notice appears to be enticing some longtime bondholders to put their positions out for bid. Indeed, a flurry of Countrywide paper has changed hands in the last two weeks. "There were bonds coming out that I have never seen," one trader said. "The final numbers brought the certainty some people were waiting for." ❖

Powerhouse ... From Page 1

point since 2011.

The decline in CIFC's share price reflects increasing financial-market volatility, sources said, coupled with a reluctance on the part of equity analysts to assign high-enough values to CLO businesses.

Some suggested that CIFC's management could be looking for a sale because of concerns about the looming risk-retention rules, under which CLO issuers will have to retain 5% interests in their deals. That's a potentially insurmountable hurdle for managers that don't have easy access to fresh capital. The dynamic has prompted other CLO issuers to seek buyers in the past year. For example, **Silvermine Capital** sold itself to **Man Group** in January 2015, and **Octagon Credit** agreed to an acquisition by **Conning** in November.

But another source pointed out that CIFC in October sold $40 million of corporate bonds specifically to address future risk-retention obligations. And a rival CLO manager expressed doubt that CIFC is under pressure to sell. "The reality is that CIFC has been able to do a ton of deals and has been very successful at printing," he said. "As a public company, there would be ways to solve the risk-retention issues and get the capital that is needed."

CIFC joined the top ranks of CLO issuers via a 2011 merger with **Deerfield Capital.** ❖

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THE WEEKLY UPDATE ON WORLDWIDE SECURITIZATION

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Andrew Albert
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INITIAL PRICINGS

Ford Credit Auto Owner Trust, 2016-A

Priced: Jan. 20
Amount: $1.1 billion
Collateral: Auto loans (prime)
Seller: Ford
Bookrunners: Credit Suisse, J.P. Morgan, Mizuho, Societe Generale

Class	S/F	Amount	Yield	WAL	Spread	Benchmark
A-1	A-1+	228.900	0.680	0.27		
A-2A	AAA	200.000	1.128	1.05	+40	EDSF
A-2B	AAA	163.100		1.05	+40	1 mo. Libor
A-3	AAA	305.200	1.395	2.25	+48	Int. Swaps
A-4	AAA	102.780	1.607	3.30	+53	Int. Swaps
B	AA+/AA	31.580	1.953	3.47	+85	Int. Swaps
C	AA/A	21.050	2.203	3.47	+110	Int. Swaps

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Siena Lease Srl, 2016-2

Priced: Jan. 21
Amount: €761.3 million
Collateral: Small-business leases (Italy)
Seller: Gruppo Montepaschi
Bookrunners: Banca IMI, HSBC, UniCredit

Class	M/F	Amount	Yield	WAL	Spread	Benchmark
A	Aa2/AA+	761.300		1.52	+125	3 mo. Euribor

Ally Auto Receivables Trust, 2016-1

Priced: Jan. 20
Amount: $795.3 million
Collateral: Auto loans (prime)
Seller: Ally Bank
Bookrunners: Citigroup, Bank of America, Credit Agricole, Deutsche Bank

Class	M/F	Amount	Yield	WAL	Spread	Benchmark
A-2A	AAA	236.000	1.210	0.91	+50	EDSF
A-2B	AAA	140.000		0.91	+50	1 mo. Libor
A-3	AAA	321.000	1.480	2.13	+57	Int. Swaps
A-4	AAA	98.300	1.745	3.23	+66	Int. Swaps

Volvo Financial Equipment LLC, 2016-1

Priced: Jan. 20
Amount: $662.9 million
Collateral: Equipment loans
Seller: Volvo Group
Bookrunners: Societe Generale, Bank of America

Class	M/F	Amount	Yield	WAL	Spread	Benchmark
A-1	F1+	186.000	0.750	0.28		
A-2	AAA	186.000	1.454	1.07	+73	EDSF
A-3	AAA	186.000	1.683	2.17	+80	Int. Swaps
A-4	AAA	65.560	1.899	3.25	+85	Int. Swaps
B	AA	18.620	2.156	3.63	+105	Int. Swaps
C	A	20.700	2.456	3.63	+135	Int. Swaps

Golden Credit Card Trust, 2016-1

Priced: Jan. 19
Amount: $625 million
Collateral: Credit cards
Seller: Royal Bank of Canada
Bookrunner: RBC Capital

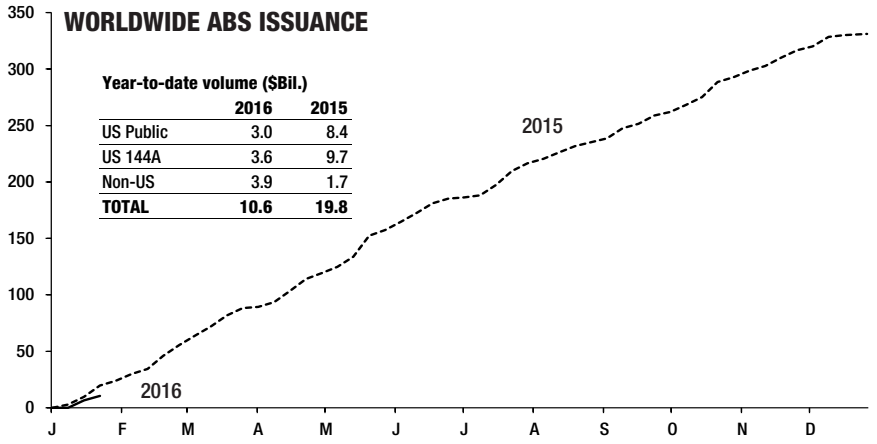
Class	M/S/F/D	Amount	Yield	WAL	Spread	Benchmark
A	AAA	625.000		1.97	+60	1 mo. Libor

MARKET MONITOR

WORLDWIDE ABS ISSUANCE

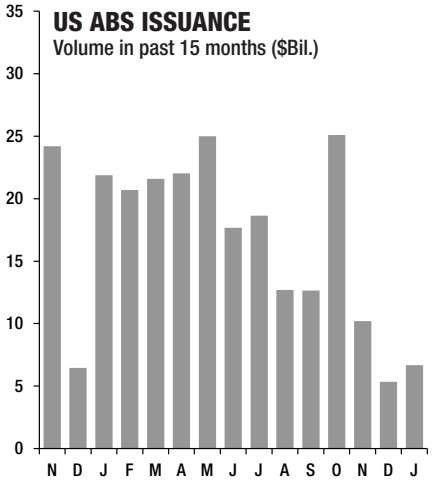
Year-to-date volume ($Bil.)

	2016	2015
US Public	3.0	8.4
US 144A	3.6	9.7
Non-US	3.9	1.7
TOTAL	**10.6**	**19.8**



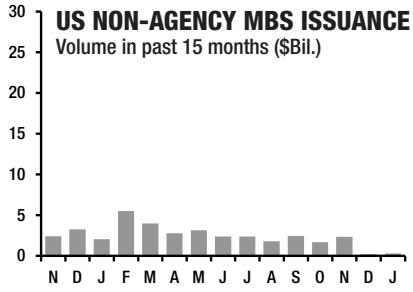
US ABS ISSUANCE

Volume in past 15 months ($Bil.)



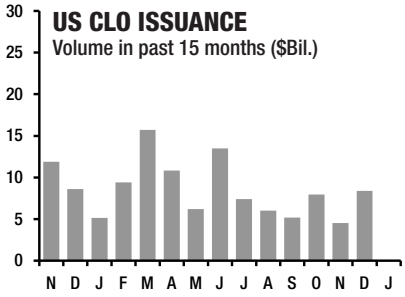
US NON-AGENCY MBS ISSUANCE

Volume in past 15 months ($Bil.)



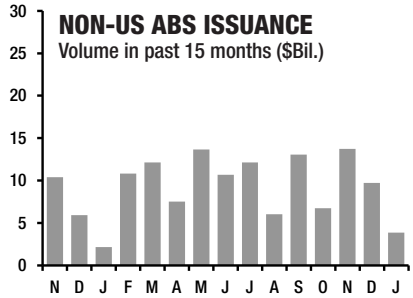
US CLO ISSUANCE

Volume in past 15 months ($Bil.)



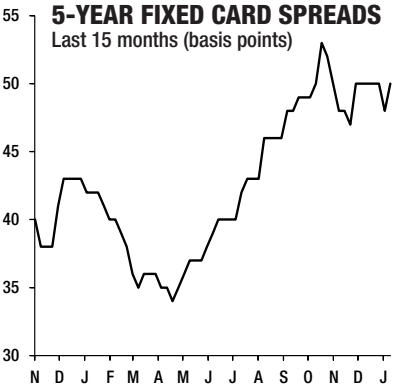
NON-US ABS ISSUANCE

Volume in past 15 months ($Bil.)



5-YEAR FIXED CARD SPREADS

Last 15 months (basis points)



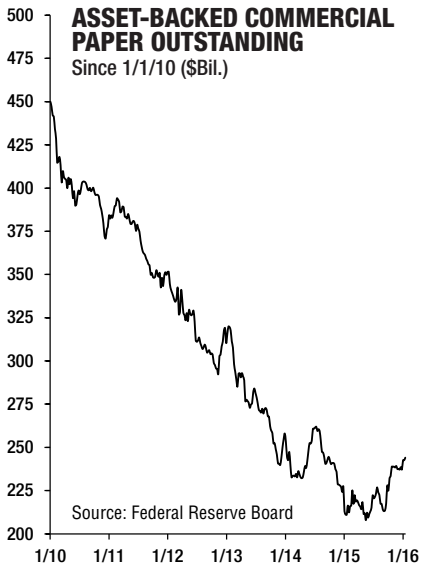
SPREADS ON TRIPLE-A ABS

	Avg. Life	Spread (bps) 1/15	Week Earlier	52-wk avg.
Credit card - Fixed rate (vs. Swap)	2.0	+37	+35	+28.9
	5.0	+50	+48	+43.0
Credit card - Floating rate (vs. 1 mo. Libor)	2.0	+37	+35	+30.0
	5.0	+50	+48	+44.0
Auto loan - Tranched (vs. Swap)	2.0	+42	+40	+34.2
	3.0	+50	+49	+40.2
Swap spreads (bid/offer midpoint)	2.0	+6	+9	+19.6
	5.0	-8	-6	+8.6
	10.0	-15	-13	+3.5

Source: Deutsche Bank

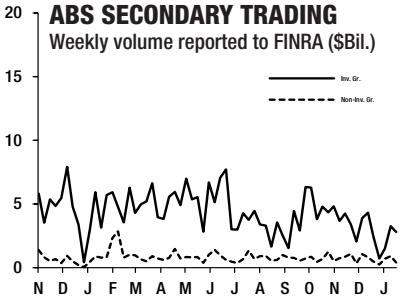
ASSET-BACKED COMMERCIAL PAPER OUTSTANDING

Since 1/1/10 ($Bil.)



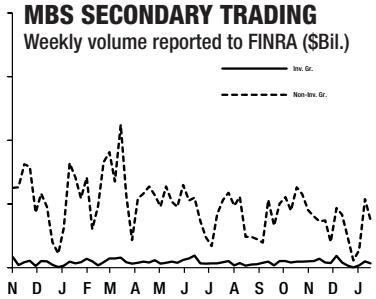
ABS SECONDARY TRADING

Weekly volume reported to FINRA ($Bil.)



MBS SECONDARY TRADING

Weekly volume reported to FINRA ($Bil.)



Data points for all charts on this page can be found in The Marketplace section of ABAlert.com

THE GRAPEVINE

... From Page 1

commercial mortgage bond and structured-product derivatives teams in the U.S. Among those let go from the whole-loan unit was **Arvind Mohan,** who was employed at the bank for 10 years. There also was word that Barclays had dismissed nine mid-level to senior mortgage-bond salesmen.

Collateralized loan obligation specialist **Sunil Rohra** has joined **Natixis'** bond-underwriting unit in New York. Rohra spent the past three years rating CLOs at **Moody's,** following a stint as the top structurer on **Bank of America's** CLO team. Rohra's addition comes as part of a recruiting effort that Natixis launched after longtime structurer **Ricky Li** left last year to join former colleague **John Kim** on an investment team at **Security Benefit.** That push also saw Natixis hire **Alex Zilberman** away from **Credit Suisse** to co-head its CLO team alongside **Mike Hopson.**

Mortgage-bond salesman **Jason Eynon** has left **Janney Montgomery Scott's** Irvine, Calif., office. Eynon now works on **Wells Fargo's** brokerage desk in El Segundo, Calif. He also has worked at **Jefferies, UBS, Wachovia** and **Pimco.**

Moody's has added a corporate-credit analyst to its collateralized loan obligation surveillance team. **Kevin Anthony** arrived in the agency's New York office in recent weeks, with a focus on trends affecting the performance of CLO collateral. Anthony most recently spent three years as head of finance at online retailer **Tern Global.** He also has worked at **Credit Suisse,** following an earlier stop at Moody's. He now reports to senior vice president **Min Xu.**

Morningstar has added a quantitative analyst to its New York staff. The recruit, **Rohini Madgula,** focuses on developing deal-performance models for the agency's structured-finance rating team. She reports to director **Olgay Cangur.** Madgula previously was a software engineer at financial-research firm **FactNet.**

Hedge fund manager **Hudson Cove Capital** has two openings on its staff. The firm is seeking an analyst with 2-3 years of experience to review new investments in asset-backed bonds and other products. It also is seeking a controller with five years of experience. Both recruits would be stationed in Hudson Cove's headquarters in Jersey City, N.J. Candidates can email resumes to info@hudsoncovecapital.com. Hudson Cove is led by former **Merrill Lynch** executives **Fred Wang** and **David Wu.**

Premium Point Investments parted ways with investor-relations specialist **Jennifer Tandler** last month. Tandler had been on board at the New York firm since 2008. Premium Point invests in a mix of mortgage-related products. It also issues jumbo-mortgage bonds through its **WinWater Mortgage** unit, which most recently completed a $453.7 million bond issue on Sept. 30 with **Credit Suisse** running the books.

A vice president who left **RBC Capital's** collateralized loan obligation unit in April has landed in a corporate-lending role at **Goldman Sachs. Ann Carr** started in Goldman's New York office last month, also as a vice president. She joined RBC in 2006.

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